

Enclosure B

**COUNTY RESPONSE COVER PAGE – MUST BE FULLY COMPLETED AND
SUBMITTED WITH PLAN AND DATA**

Nevada County is requesting participation in the Enhanced Anti-Fraud Program
and will submit a Plan and Data as described above, by November 1, 2009.

Board of Supervisor Approval

Approved on November 24, 2009, **by the County Board of Supervisors**

Name of Approver: Hank Weston, Chair

Signature Hank Weston

Name of County District Attorney Representative: Clifford Newell

County District Attorney Representative Telephone #: (530) 265-1432

Email Address: Clifford.Newell@co.nevada.ca.us

Name of County Welfare Department Representative: Alison Lehman

County Welfare Department Representative Telephone #: (530) 265-1410

Email Address: Alison.Lehman@co.nevada.ca.us

CHECKLIST OF REQUIRED COMPONENTS TO BE INCLUDED IN THE PLAN

NOTE: Failure to include any of the following required components in the Plan, as outlined in Enclosure C, may result in non-award of funds:

- ☒ IHSS Overpayments/Underpayments Activities and Data
- ☒ IHSS Fraud Referrals/Outcomes Activities and Data
- ☒ Collaboration and Partnerships with District Attorney's Office (DAO) related to the IHSS Program
- ☒ County Collaboration and Partnerships with California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS) related to the IHSS Program
- ☒ Mechanism for Tracking/Reporting IHSS Fraud Data and Activities
- ☒ County's Current and Proposed Anti-Fraud Activities related to the IHSS Program
- ☒ County Proposed Budget for Utilization of Funds (use Enclosure A as a guideline)
- ☒ Description of how the County will integrate other Program Integrity Efforts into the Plan
- ☒ Commitment to produce an Annual Outcomes Report (due August 1 of each year)
- ☒ Data Reporting Spreadsheet (Enclosure D – includes data from 2004 to present)

Nevada County IHSS Fraud Investigations and Program Integrity Proposal

Introduction

Nevada County submits the following plan to secure allocated funding for fraud investigations and program integrity efforts related to the In-Home Supportive Services (IHSS) program. The current processes for IHSS have been limited; however, the first steps would be driven towards prevention and education if the plan is approved by the California Department of Social Services (CDSS). Additionally, Nevada County will certify that program integrity efforts will commence within 60 days of receipt of funding.

IHSS Overpayments/Underpayments

Nevada County's IHSS program will continue to identify overpayments and underpayments utilizing current practices. While underpayments are identified, they are not tracked under the current process. The IHSS program has a 1.0 FTE Social Worker dedicated to Quality Assurance and the integrity of the program. If additional funding is secured following plan approval, Nevada County proposes to augment staffing with fiscal staff who will work closely with the Quality Assurance staff to routinely audit discrepant data on both providers and recipients and offer accounting support as necessary. Currently, a detailed data log is maintained on IHSS overpayments only that are determined by the department. These are identified as not being intentional fraud.

Underpayments occur less frequently than overpayments. The tracking tool that is utilized was devised to capture overpayment collection activities; therefore, underpayments have not been included. Moving forward, the current tracking tool will be amended to capture the underpayment data. Additionally, if the County's Plan is approved, the primary focus will be prevention and education of both the independent providers and recipients. This will be done through collaboration between the District Attorney's Office and Social Services in a joint letter addressing fraud activities. Additionally, a message from the District Attorney's Office regarding fraud and fraudulent activities will be incorporated into the IHSS provider and client orientations. Additional activities are identified under the **Nevada County Proposed Anti-Fraud Activities**.

Enclosure D is attached providing statistical information for Fiscal-Year 2003/2004 through Fiscal-Year 2008/2009 regarding overpayments. Underpayments occur less frequently than overpayments. The tracking tool that is utilized was devised to capture overpayment collection activities; therefore, underpayments have not been included. As previously stated, moving forward, the current tracking tool will be amended to capture the underpayment data.

Fraud Referrals/Outcomes

Nevada County's current methodology for reporting fraud is to conduct an internal investigation to determine cause, dollar amount, and if the issue warrants further investigation. Cases determined to be Overpayments remain in-house and collection activities are initiated in compliance with ACL 09-32. Cases requiring further scrutiny are forwarded to the DHCS

investigator at her regular county visit or she would be contacted directly, as needed. Both Overpayments and Fraud Referrals are entered into the Overpayment Tracking Log, which is the sole repository of data related to Fraud/Overpayment issues.

The QA position, approximately 25 cases are reviewed each month and it is this process that typically unearths overpayments resulting from calculation errors, data entry errors, etc. Previously, cases were selected that were coming due for reassessment in the next one to three months to address needed corrections or issues in the normal flow of work. At this time nearly 90% of current cases have been reviewed and affords the opportunity to switch to cases that have been *recently* reassessed or more important *newly* assessed. Additional funding, if approved, will allow the department to secure additional staffing resources to address the errors that have been identified but not corrected.

Currently, Nevada County's IHSS fraud referrals are reported to the listed agencies below and Nevada County's IHSS program maintains a collaborative relationship with those agencies.

- *County of Nevada District Attorney's Office*
- *California Department of Health Care Services (DHCS)*
- *California Department of Social Services (CDSS)*
- *Office of the Attorney General-Bureau of Medi-Cal Fraud and Elder Abuse*

Enclosure D is attached providing statistical information for Fiscal-Year 2003/2004 through Fiscal-Year 2008/2009 (if known) regarding suspected fraud, convictions for fraud, amount of funds involved in convictions, amount recovered, basis for the conviction, and the individual responsible.

Collaboration and Partnerships with the District Attorney's Office (DAO)

Nevada County District Attorney's Office (NCDAO) is committed to working with Social Services to address the issues arising from IHSS. Since both previous regulation and current regulation require that fraud amounts greater than \$500 be referred to DHCS, it has fiscally expedient to attempt recovery of those amounts less than \$500 rather than pursuing prosecution. With this grant, NCDAO will be able to expand its efforts and have its investigation unit work closely with DPSS IHSS staff. Together DPSS and the NCDAO will develop an Early Fraud Detection Program emphasizing that for the integrity of the program, it is best to prevent fraud from occurring in the first place. We will develop a system for fraud referrals, a system to calculate and collect overpayments, guidelines for prosecution of suspected violators and training in IHSS fraud. We will develop an outreach and educational program for the public on IHSS fraud and encourage the public to report suspected fraud.

NCDAO investigators have the equipment, training and resources in place to evaluate and investigate suspected fraud quickly, with professionalism and respect for all parties.

Collaboration and Partnerships with California Department of Health Care Services (DHCS) and the California Department of Social Services (CDSS)

Nevada County's IHSS program will continue its collaborative relationship with both DHCS and CDSS regarding fraud referrals and joint investigations. If funding is approved, the County will

request a CDSS contact name to work with in addition to the already identified staff member from DHCS. Referrals made to DHCS will be tracked via an Excel spreadsheet noting date sent to DHCS, date received by DHCS.

Mechanism for Tracking/Reporting

Nevada County will commit to track and report outcomes of its efforts to CDSS with the data recording format to be created by CDSS by August 1, 2010 and will incorporate the data into the District Attorney's case management system. Nevada County will also submit a plan on or before June 1, 2010 for funding consideration for Fiscal-year 2010/2011.

Prior to implementation of the of the CDSS data recording format, Nevada County will continue to follow the protocol for Overpayment Recoveries, as set forth in ACL 09-32, July 3, 2009.

County's Current and Proposed Anti-Fraud Activities

Nevada County's current anti-fraud activities include:

1. Use of Quality Assurance tools to identify suspicious/questionable data as reported in the assessment process to determine fraud/overpayment issues. These tools include:
 - a. Desk Review
 - b. Home Visit
 - c. Targeted Case Review
2. Utilization of CMIPS Online Reports to determine fraud/overpayment issues, including but not limited to:
 - a. CMIPS Warning Alert
 - b. Monthly Renewal Exception
 - c. Advance Pay Reconcile
 - d. SSI/SSP Terminations
 - e. 300+ Hour Report
3. Utilization of state-supplied data Error Reports, including but not limited to:
 - a. Death Match Report
 - b. Medi-Cal Data on Hospitalizations
4. Random checks of Medi-Cal renewal forms to collect and verify hospitalizations.
5. Written policies and procedures for reporting possible fraudulent activities
6. Routine training provided to all IHSS staff

Nevada County's proposed anti-fraud activities include:

1. Formal presentations at all newly required IHSS provider orientations to review/discuss IHSS fraud.
2. Quarterly fraud-specific articles prepared for the Department of Social Services Quarterly Newsletter.
3. Monitoring of CMIPS reports including: 300+ Hour Report, 60-Day No Timesheet Activity Report, CDSS quarterly Death Match Report, Fair Hearing requests, local

- newspaper obituaries, and monthly report submitted by Nevada-Sierra Regional IHSS Public Authority regarding discrepant provider data.
4. Nevada County Department of Social Services web design dedicated to fraud referrals.
 5. Public Service Announcements (PSA) educating the public and consumers as to fraudulent activities.
 6. Dedicate an investigator to 5 hour per week.
 7. Transportation vehicle(s) for increased home visits.
 8. Expansion of monitoring activities on MediCal renewal applications.
 9. Joint letter from NCDAS and Department of Social Services to clients addressing overpayments and fraudulent activities.
 10. Message from the District Attorney's Office regarding fraud and fraudulent activities into the IHSS provider and client orientations.

County Proposed Budget for Utilization of Funds

During the first year, the Department of Social Services and the District Attorney's Office are proposing the following budget for Nevada County's IHSS anti-fraud activities:

<u>Department of Social Services - Total</u>		\$ 33,613
• Web Design for Fraud Referrals	\$ 2,500	
• Public Service Announcement(s)	4,000	
• Quarterly Review regarding IHSS	1,200	
• Contract with Public Authority for additional Independent Provider and Client Training/ Orientation/Preventive Fraud	8,000	
• Video for Orientation	3,000	
• Staffing	13,250	
• Materials/Supplies	1,663	
<u>District Attorney's Office - Total</u>		\$ 33,613
• Staffing		
◦ Clerical Support	\$ 9,248	
◦ Investigator	12,904	
• Outreach, training and investigations	9,560	
• Office Supplies	1,901	

Description of how the County will Integrate Other Program Integrity Efforts within the Plan

Nevada County will integrate any newly provided funding into current anti-fraud activities. Additionally, any funding made available through this effort will address anti-fraud components named in the 2009 State Budget Act including IHSS provider background checks, provider orientations, and unannounced home visit activities.

Annual Outcomes Report

If funding is approved, Nevada County will comply with the format adopted by CDSS to provide an annual outcomes report by August 1st of each year for the previous year's activities and will incorporate the data into the District Attorney's case management system.

Attachment

Enclosure D: Data Reporting Spreadsheet, 2004 to present. It should be noted that IHSS fraud data is also available for cases that were processed within the department and not referred to the District Attorney's Office.

ENCLOSURE D

County: Nevada

Overpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Breakdown of Causes	Total Amount per Fiscal Year:				5131.90	27930.11
	Number of Instances:				8	10
	Provider:				7	6
	Recipient:					4
	County Error:					
	Unknown:					
	Other:				1	

Underpayments identified by County QA		04/05	05/06	06/07	07/08	08/09
Breakdown of Causes	Total Amount per Fiscal Year:					
	Number of Instances:					
	Provider:					
	Recipient:					
	County Error:					
	Unknown:					
	Other:					

Fraud Referrals/Outcomes		04/05	05/06	06/07	07/08	08/09
Individuals Responsible	Number of referrals to DHCS:				3	3
	Number handled locally by DA:					
	Number of convictions:					
	Court Ordered Restitution:					
	Amount of funds involved in the convictions:					
	Amount of funds recovered:					
	Amount of funds pending recovery:				2927.52	3428.27
	Basis for the Conviction:					
	Recipient:					
	Provider:					
	County Staff:					
	Other:					
	Unknown:					

ENCLOSURE D

Utilization of County DA for Fraud		04/05	05/06	06/07	07/08	08/09
Documented referrals to DA						
Outcomes	Accepted:					
	Rejected:					
	Pending:					
	Completed Investigation					
	No Fraud:					
	Restitution Action:					
	Referred for Prosecution:					
	Criminal Charges Filed:					
	No Charges Filed:					
	Convictions:					
	Acquittals:					
	Dismissals:					
	Pending Investigation:					
	Restitution					
	Court Ordered:					
	Restitution Action:					
	Fines					
	Prosecutions Completed					
	Convictions					
	Misdemeanor					
	Felony					

ENCLOSURE D

DEFINITIONS

For purposes of program reporting, terms and concepts are defined as follows:

Documented Case Referral means:

Cases received through specified dates that substantially comply with the documented case referral protocol.

Documented Case Referrals are classified as:

Pending – cases awaiting review/case bank

Accepted – cases that are opened and assigned for investigation

Rejected – no further action will occur

Investigations

Investigation opened means cases in which an investigator or DDA has been assigned to a case.

Completed Investigation

Case is closed by court action or deemed unsubstantiated.

Cases

Multiple defendant cases should be counted as single cases, not a separate case for each defendant unless the number or names of the individual defendants are specified.

Fines

Are defined as fines imposed by the court. Penalty assessments may be included. Do not include booking fees, probation supervision fees or restitution.

Provider fraud

Fraud perpetrated by IHSS services.

Recipient fraud

Fraud perpetrated by the IHSS recipient.

COUNTY OF NEVADA

Budget Justification County's Fraud Funding Plan for FY 2009-10

Budget Section	Total
A. Personnel Costs (includes employee benefits)	\$ 44,962
B. Operating Expenses	2,064
C. Equipment Expenses	0
D. Travel/Per Diem and Training	1,500
E. Subcontracts and Consultants	18,700
F. Other Costs	0
G. Indirect Expenses	0
Total Expenses:	\$ 67,226

A. Personnel Costs (including employee benefits)	Total Budget
<p>Title: Deputy District Attorney III (.075 FTE)</p> <p>Salary Calculation: FY Salary \$91,270 + FY Benefits \$37,398 = \$128,668 X .075 FTE</p> <p>Duties Description: Oversees the activities of investigations of fraud. Prepares and participates in pleadings, arraignments, pre-trial agreements, motions, trials, responsive declaration, detention or asset seizure hearings, negotiations with opposing counsel and the courts. Litigates criminal "fraud" cases and cases related to IHSS fraud activities.</p>	\$ 9,650
<p>Title: District Attorney Investigator (.125 FTE)</p> <p>Salary Calculation: FY Salary \$65,978 + FY Benefits \$37,253 = \$103,231 x .125 FTE</p> <p>Duties Description: Conducts investigations of criminal cases and purposed crimes and other cases related to IHSS fraud for which the prosecution comes under the jurisdiction of the District Attorney's Office. Locates & interviews suspected persons and witnesses and analyzes and evaluates testimony. Interprets and explains provisions of law, rules or regulations. Gathers and preserves evidence and testimony for IHSS fraud cases. Examines and evaluates financial and business records in civil and criminal "fraud" investigations.</p>	12,904
<p>Title: Office Assistant:</p> <p>Salary Calculation: FY Salary \$26,749 + FY Benefits \$19,490 = \$46,239 x .28 FTE (.20 FTE from the DA's Office; .08 FTE from the APS Office)</p> <p>Duties Description: Provides for clerical support to the Deputy District Attorney, Investigator and Social Worker in documenting of IHSS fraud activities.</p>	12,107
<p>Title: Social Worker III</p> <p>Salary Calculations: FY Salary \$56,696 + Benefits \$36,949 = \$93,645 x .11 FTE</p> <p>Duties Description: Track data, run and analyze reports from the CMIPS program including the 300+ Hour Report, 60-Day No Timesheet Activity Report, CDSS Quarterly Death Match Report, Fair Hearing requests, local newspaper obituaries and monthly reports submitted by the Nevada-Sierra Regional IHSS Public Authority regarding discrepant provider data.</p>	10,301
Total Personnel Costs:	\$ 44,962

B. Operating Expenses	Total Budget
Title: Materials and Office Supplies	\$ 2,064
Description: Costs associated with increased copying, distribution, postage in conjunction with outreach and training.	
Total Operating Expenses:	\$ 2,064

D. Travel/Per Diem and Training	Total Budget
Title: Travel Expenses	\$ 1,500
Description: Additional transportation/vehicle costs associated with increased home visits of IHSS recipients in the investigation of fraudulent activities.	
Total Travel/Per Diem and Training:	\$ 1,500

E. Subcontracts & Consultants	Total Budget
Title: Web Design for Fraud Referrals	\$ 2,500
Description: Contract with outside firm to expand current departmental web-sites to include a site specific for referral of suspected IHSS fraud activities.	
Title: Public Service Announcement(s)	4,000
Description: Contract with a vendor to create public service announcements to educate the public; consumers and providers as to fraudulent activities.	
Title: Quarterly Review of IHSS	1,200
Description: Contract to compile a Quarterly Review specifically relating to IHSS fraud activities, including how to detect and avoid fraudulent activities. Provide information on the services of the IHSS program.	
Title: Sierra-Nevada Regional Public Authority Contract	8,000
Description: Contract to provide formal presentations at all IHSS provider orientations to review and discuss IHSS fraud. Provide additional independent provider and recipient training, orientation and preventive fraud activities.	
Title: Video Project	3,000
Description: Contract to produce a video for recipients and providers to include a message from the District Attorney's Office regarding fraud and fraudulent activities to be included with the IHSS provider and client orientations.	
Total Subcontract & Consultants:	\$ 18,700